



8011-01p

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-78504; File No. SR-CHX-2016-14]

Self-Regulatory Organizations; Chicago Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Amend the Continuing Education Fees

August 8, 2016.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)<sup>1</sup>, and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on August 1, 2016, the Chicago Stock Exchange, Inc. (“CHX” or the “Exchange”) filed with the Securities and Exchange Commission (“Commission”) the proposed rule change as described in Items I, II and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

CHX proposes to amend its Schedule of Fees and Assessments (the “Fee Schedule”) to amend the Exchange’s Continuing Education fees. The text of this proposed rule change is available on the Exchange’s website at ([www.chx.com](http://www.chx.com)) and in the Commission’s Public Reference Room.

II. Self-Regulatory Organization’s Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the CHX included statements concerning the purpose of and basis for the proposed rule changes and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in

---

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

Item IV below. The CHX has prepared summaries, set forth in sections A, B and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On August 8, 2015, the Commission approved SR-FINRA-2015-015 relating to proposed changes to FINRA Rule 1250 to provide for Web-based delivery for completing the Regulatory Element of the Continuing Education requirements ("CE Online Program").<sup>3</sup> Moreover, as of July 1, 2016, FINRA required all participants to complete their Regulatory Element session using the CE Online Program; provided that participants who, pursuant to the Americans with Disabilities Act, need accommodations in completing their session due to a disability may apply for an accommodation and complete their session at a test center.<sup>4</sup> Pursuant to Section 4(f) of the Schedule A of the FINRA By-Laws, the fee for all Regulatory Element Continuing Education programs is \$55.00.<sup>5</sup>

The Exchange currently utilizes the S101 General Program and S201 Supervisor Program that are part of the Securities Industry Continuing Education Program.<sup>6</sup> The Exchange recently filed a separate proposed rule change to adopt the changes set forth in SR-FINRA-2015-015 to

---

<sup>3</sup> See Securities Exchange Act Release No. 75581 (July 31, 2015), 80 FR 47018 (August 6, 2015) (Order Approving a Proposed Rule Change to Provide a Web-based Delivery Method for Completing the Regulatory Element of the Continuing Education Requirements) (SR-FINRA-2015-015).

<sup>4</sup> See Securities Exchange Act Release No. 78281 (July 11, 2016), 81 FR 46133 (July 15, 2016) (SR-FINRA-2016-025); see also Americans with Disabilities Act of 1990, Pub. L. No. 101-336, 104 Stat. 328 (1990).

<sup>5</sup> See *id.*

<sup>6</sup> The Securities Industry/Regulatory Council on Continuing Education has advisory and consultative responsibilities with regard to the development, implementation and ongoing operation of the Securities Industry Continuing Education Program.

provide for Web-based delivery of the Regulatory Element of the Continuing Education programs.<sup>7</sup>

Consistent with Section 4(f) of the Schedule A of the FINRA By-Laws, the Exchange now proposes to amend Section J.5 of the CHX Fee Schedule to provide that the Continuing Education Regulatory Element fee for the S101 and S201 programs will be \$55.<sup>8</sup>

## 2. Statutory Basis

The Exchange believes that its proposal to amend its fee schedule is consistent with Section 6(b) of the Act<sup>9</sup> in general, and furthers the objectives of Section 6(b)(4) of the Act<sup>10</sup> in particular, in that it is an equitable allocation of reasonable dues, fees and other charges among Exchange members and issuers and other persons using its facilities. The Exchange believes that the proposal to set the Continuing Education fee at \$55 is an equitable allocation of dues, fees and other charges because the fee change applies equally to all persons associated with Participants. In addition, the Exchange believes that the amended fee is an equitable allocation of dues, fees and other charges as it will apply uniformly to all persons associated with the Participants who participate in the continuing education program through FINRA.

Moreover, the Exchange believes that harmonizing the Continuing Education fee with those of FINRA and the other national securities exchanges would further the objectives of

---

<sup>7</sup> CHX Article 6, Rule 11(a)(4) provides that the continuing education Regulatory Element will be administered through Web-based delivery or such other technological manner and format as specified by the Exchange. See Securities Exchange Act Release No. 78446 (July 29, 2016) (SR-CHX-2016-12).

<sup>8</sup> Section J.5 of the CHX Fee Schedule provides that the Continuing Education fees are paid to FINRA directly. This fee is currently \$100.00 for each individual who is required to complete the S101 or S201 programs.

<sup>9</sup> 15 U.S.C. 78(f)(b).

<sup>10</sup> 15 U.S.C. 78(f)(b)(4).

Section 6(b)(5) of the Act<sup>11</sup> by removing impediments to and perfecting the mechanism of a free and open market and a national market system.

B. Self-Regulatory Organization's Statement of Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act. Since the proposed rule change applies to all persons associated with Participants who are required to fulfill Continuing Education requirements, the proposal has no effect on competition. Moreover, the Exchange believes that the harmonization of the Continuing Education fee across the various markets will reduce burdens on competition by removing impediments to participation in the national market system.

C. Self-Regulatory Organization's Statement on Comments Regarding the Proposed Rule Change Received from Members, Participants or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change is effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>12</sup> and subparagraph(f)(2) of Rule 19b-4 thereunder<sup>13</sup> because it establishes or changes a due, fee or other charge imposed by the Exchange.

At any time within 60 days of the filing of the proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the

---

<sup>11</sup> 15 U.S.C. 78(f)(b)(5).

<sup>12</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>13</sup> 17 CFR 240.19b-4(f)(2).

Commission shall institute proceedings to determine whether the proposed rule should be approved or disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic Comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File No. SR-CHX-2016-14 on the subject line.

##### Paper Comments:

- Send paper comments in triplicate to Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File No. SR-CHX-2016-14. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549 on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the

filing also will be available for inspection and copying at the principal office of the CHX. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File No. SR-CHX-2016-14 and should be submitted on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>14</sup>

Robert W. Errett,  
Deputy Secretary.

---

<sup>14</sup> 17 CFR 200.30-3(a)(12).

